

107TH CONGRESS
2D SESSION

S. 2594

To authorize the Secretary of the Treasury to purchase silver on the open market when the silver stockpile is depleted, to be used to mint coins.

IN THE SENATE OF THE UNITED STATES

JUNE 6, 2002

Mr. REID (for himself, Mr. CRAPO, Mr. ENSIGN, Mr. BENNETT, Mr. ALLARD, and Mr. CRAIG) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To authorize the Secretary of the Treasury to purchase silver on the open market when the silver stockpile is depleted, to be used to mint coins.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Support of American
5 Eagle Silver Bullion Program Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

1 (1) the American Eagle Silver Bullion coin
2 leads the global market, and is the largest and most
3 popular silver coin program in the United States;

4 (2) established in 1986, the American Eagle
5 Silver Bullion Program is the most successful silver
6 bullion program in the world;

7 (3) from fiscal year 1995 through fiscal year
8 2001, the American Eagle Silver Bullion Program
9 generated—

10 (A) revenues of \$264,100,000; and

11 (B) sufficient profits to significantly re-
12 duce the national debt;

13 (4) with the depletion of silver reserves in the
14 Defense Logistic Agency's Strategic and Critical
15 Materials Stockpile, it is necessary for the Depart-
16 ment of the Treasury to acquire silver from other
17 sources in order to preserve the American Eagle Sil-
18 ver Bullion Program;

19 (5) with the ability to obtain silver from other
20 sources, the United States Mint can continue the
21 highly successful American Eagle Silver Bullion Pro-
22 gram, exercising sound business judgment and mar-
23 ket acquisition practices in its approach to the silver
24 market, resulting in continuing profitability of the
25 program;

1 (6) in 2001, silver was commercially produced
2 in 12 States, including, Alaska, Arizona, California,
3 Colorado, Idaho, Missouri, Montana, Nevada, New
4 Mexico, South Dakota, Utah, and Washington;

5 (7) Nevada is the largest silver producing State
6 in the Nation, producing—

7 (A) 17,500,000 ounces of silver in 2001;
8 and

9 (B) 34 percent of United States silver pro-
10 duction in 2000;

11 (8) the mining industry in Idaho is vital to the
12 economy of the State, and the Silver Valley in north-
13 ern Idaho leads the world in recorded silver produc-
14 tion, with over 1,100,000,000 ounces of silver pro-
15 duced between 1884 and 2001;

16 (9) the largest, active silver producing mine in
17 the Nation is the McCoy/Cove Mine in Nevada,
18 which produced more than 107,000,000 ounces of
19 silver between 1989 and 2001;

20 (10) the mining industry in Idaho—

21 (A) employs more than 3,000 people;

22 (B) contributes more than \$900,000,000
23 to the Idaho economy; and

24 (C) produces \$70,000,000 worth of silver
25 per year;

1 (11) the silver mines of the Comstock lode, the
 2 premier silver producing deposit in Nevada, brought
 3 people and wealth to the region, paving the way for
 4 statehood in 1864, and giving Nevada its nickname
 5 as “the Silver State”;

6 (12) mines in the Silver Valley—

7 (A) represent an important part of the
 8 mining history of Idaho and the United States;
 9 and

10 (B) have served in the past as key compo-
 11 nents of the United States war effort; and

12 (13) silver has been mined in Nevada through-
 13 out its history, with every significant metal mining
 14 camp in Nevada producing some silver.

15 **SEC. 3. PURCHASE OF SILVER BY THE SECRETARY OF THE**
 16 **TREASURY.**

17 (a) PURCHASE OF SILVER.—

18 (1) IN GENERAL.—Section 5116(b)(2) of title
 19 31, United States Code, is amended by inserting
 20 after the second sentence the following: “At such
 21 time as the silver stockpile is depleted, the Secretary
 22 shall obtain silver as described in paragraph (1) to
 23 mint coins authorized under section 5112(e). If it is
 24 not economically feasible to obtain such silver, the
 25 Secretary may obtain silver for coins authorized

1 under section 5112(e) from other available sources.
2 The Secretary shall not pay more than the average
3 world price for silver under any circumstances. As
4 used in this paragraph, the term ‘average world
5 price’ means the price determined by a widely recog-
6 nized commodity exchange at the time the silver is
7 obtained by the Secretary.”.

8 (2) RULEMAKING AUTHORITY.—The Secretary
9 of the Treasury shall issue regulations to implement
10 the amendments made by paragraph (1).

11 (b) STUDY REQUIRED.—

12 (1) STUDY.—The Secretary of the Treasury
13 shall conduct a study of the impact on the United
14 States silver market of the American Eagle Silver
15 Bullion Program, established under section 5112(e)
16 of title 31, United States Code.

17 (2) REPORT.—Not later than 1 year after the
18 date of enactment of this Act, the Secretary of the
19 Treasury shall submit a report of the study con-
20 ducted under paragraph (1) to the chairman and
21 ranking minority member of—

22 (A) the Committee on Banking, Housing,
23 and Urban Affairs of the Senate; and

24 (B) the Committee on Financial Services
25 of the House of Representatives.

1 (c) ANNUAL REPORT.—

2 (1) IN GENERAL.—The Director of the United
3 States Mint shall prepare and submit to Congress an
4 annual report on the purchases of silver made pur-
5 suant to this Act and the amendments made by this
6 Act.

7 (2) CONCURRENT SUBMISSION.—The report re-
8 quired by paragraph (1) may be incorporated into
9 the annual report of the Director of the United
10 States Mint on the operations of the mint and assay
11 offices, referred to in section 1329 of title 44,
12 United States Code.

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